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August 19, 2004

VIA ELECTRONIC MAIL AND FACSIMILE

Ms. Pamela L. Hintz
Vice President of Regulatory Affairs
CTC Communications
220 Bear Hill Rd,
Waltham, MA 02451

Dear Ms. Hintz:

This responds to your letter on behalf of CTC Communications ("CTC") dated August 18, 2004, to Michael D. Tinyk of Verizon. In this letter CTC objects to Verizon's plans to cease providing on an unbundling basis at TELRIC rates in Massachusetts enterprise switching and shared transport used in connection with such switching, as more specifically described in Verizon's May 18 notice to CTC. I address certain points in your letter below.

First, the express terms of CTC's interconnection agreement in Massachusetts (the "Agreement") already allows Verizon to cease providing delisted UNEs with no specified notice.¹ Verizon's May 18 notice not only met, but substantially exceeded this obligation. Accordingly,

¹ Section 1.5 of the UNE Remand Attachment appended to Amendment 1 of the Agreement provides:

Without limiting Verizon's rights pursuant to Applicable Law or any other section of the Agreement, this UNE Remand Attachment and the Pricing Appendix to the UNE Remand Attachment to terminate its provision of a UNE or a Combination, if Verizon provides a UNE or Combination to CTC, and the Commission, the FCC, a court or other governmental body of appropriate jurisdiction determines or has determined that Verizon is not required by Applicable Law to provide such UNE or Combination, Verizon may terminate its provision of such UNE or Combination to CTC.

Moreover, Section 2 of Amendment No. 1 of the Agreement provides "In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Terms, this Amendment shall govern, provided, however, that the fact that a term or provision appears in this Amendment but not in the Terms, or in the Terms but not in this Amendment, shall not be interpreted as, or deemed grounds for finding, a conflict for purposes of this Section 2."

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Verizon intends to continue implementing the discontinuances described in the May 18 notice and any other notices. As stated in the May 18 notice, if CTC has failed to migrate any UNE-P arrangements in question to alternative services on or before the dates specified, then Verizon will begin billing any such arrangements that remain in place at a rate equivalent to the Section 251(c)(4) resale rate for business service.²

Verizon disagrees with your assertion that, under the Agreement,³ Verizon may not discontinue provisioning of a UNE without first submitting to contractual dispute resolution procedures. We acknowledge the various dispute resolution provisions in the Agreement and believe that Verizon has fully complied with them. We have provided proposed contract terms (without waiving our existing contract rights to cease providing the discontinued UNEs) that CTC has refused to sign, provided written notice of each specific action we are taking in furtherance of the federal policies and decisions set forth in the TRO, and have responded in writing to any specific objections CTC has submitted to Verizon. The dispute resolution provisions in the Agreement do not require Verizon to implement a standstill of its clear contractual rights simply because CTC disagrees with the actions Verizon has a right to take. CTC misreads Section 16 by suggesting otherwise.

Please do not hesitate to contact me if you have any questions or if you wish to discuss this matter further.

Sincerely,



Srinivasan Soundararajan

cc: Jeffrey A. Masoner

² That Verizon initiated arbitration proceedings in some states does not affect Verizon's rights under existing contracts to cease providing UNEs it is no longer required to provide. Verizon noted from the outset of those proceedings that "[m]any, if not all, of Verizon's interconnection agreements with CLECs [including CTC's agreements] permit Verizon to cease providing services, including access to UNEs, once applicable law no longer requires Verizon to provide such services" and that it was proposing to amend those agreements "not to establish, in the first instance, its right to cease providing access to such UNEs, but to carry that right forward in an amendment that also implements changes with respect to other UNEs to which Verizon must continue to provide access." Verizon Arbitration Petition at 3 n.4.

³ Verizon has issued a notice of termination of the Agreement. Verizon reserves and intends to exercise any rights it may have with respect to termination of the Agreement.